

Realty Stock Review

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QUARTERLY REVIEW OF MERCHANT HOMEBUILDERS/DEVELOPERS & MANUFACTURED HOUSING

MARKET STRATEGY: BUILDERS HAVE MORE POTENTIAL AS RATES HEAD DOWNWARD AGAIN

No sooner had we written a bullish scenario for builder stocks in our Quarterly Review Feb. 8 than interest rates took a nasty turn upward. That proved to be a blip so far and now rates are turning down again.

We cite that unfavorable twist to illustrate that homebuilder stocks are always volatile, and always respond to the yo-yo of interest rates. Still, we see the charts on Page 2 as evidence that homebuilding stocks have much farther to recover, and that an unexpected event of this year perhaps will delay recovery (letting investors establish positions) but not deter longer-term recovery. Look at those charts and you get an idea of the potential recoveries: General Homes traded at 20, now is 6-1/2; Lennar was 28, now less than half; Pulte Home once changed hands at 35, now is about 15. And so it goes.

The unexpected event that scrambled 1985 forecasts is the burst in new apartment building. Conventional wisdom held that the Treasury's proposals to kill tax-shelter syndications would ki-

bosh apartments for 1985. But Washington has tempered this with word that 1985 apartments will be grandfathered; hence the rush to get in on the tax shelter gold this year.

The resulting flood of apartments is the biggest single competitor for new homes this year. Virtually every builder cites cheap apartment rents as a major sales deterrent. That's keeping the lid on new house prices, and also keeping profits down. But the major homebuilders are also much leaner this year and so gross margins are starting to fatten, even with cheap apartments.

This signals that the unexpected apartment flood might delay a homebuilding surge but won't halt recovery. When recovery comes, it will just be that much bigger. In that context, we think this economic setting can be used to establish positions. As noted inside, **Ryland Group** and **Standard-Pacific** seem to have it all together right now, and **Ryan Homes** and **M.D.C. Corp.** are strong choices. And as in past issues, we continue to favor some smaller speciality builders such as **Leisure Technology** and **Hovnanian**. All for the long term.

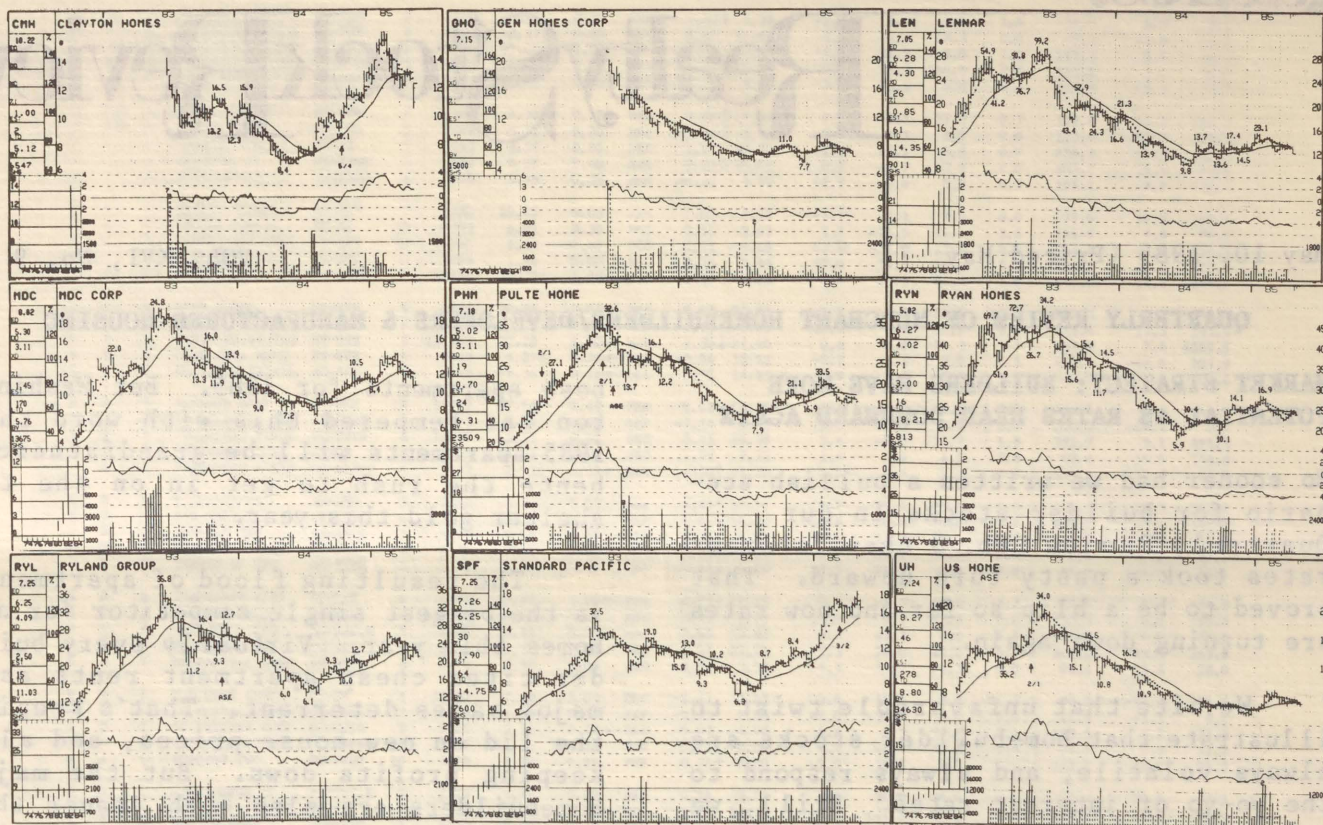
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Charts R.W. Mansfield Co.

RANKING REVIEWS: HOMEBUILDERS SHOWING BETTER MARGINS AS UNIT VOLUME SOFTENS

Our quarterly tally of new home orders, deliveries and backlog (Page 7) shows strong regional variations which we think can be exploited via the homebuilder stocks. Many builders have cut overhead, lopped off slow-selling regions, and are generally leaner competitors. Some are strengthening sales operations, since that's crucial in an era of lower inflation. Brief reviews:

Clayton Homes joins the RSR list and we've Ranked it B initially. Shares are NYSE listed under CMH. CMH builds mobile homes at seven plants, all in Tenn.; sells them both thru company owned retail lots and independent dealers, and finances units. Most sales are made in the Southeast and Southwest. Total sales including both internal and third-party production have grown at 31.5% annually in dollar volume and 28.7% in unit volume in the five years thru June 1984. Unit volume rose 29% to 5,428 DU in the March 9 mon. Margins

have widened on higher volume and EPS grew at 53% over the past five years. EPS rose 22% in the Mar. 9 mon. In Feb. CMH bought 40 retail centers from Mobile Home Industries for \$1.95 mil., nearly doubling the 48 company retail outlets. Debt is low and liquidity high. In Mar. CMH registered 1.4 mil. shs. for sale, hence we can give no current opinion.

General Homes holds C Rank although EPS have been in a long decline in tandem with the shell-shocked Houston housing market. But Houston now accounts for only 35% of GHO unit sales, down from 5% two years ago. Houston now shows some stability with Mar. qtr. total starts down 72% from 1984 and total inventory less than 8,000 units, excluding models. GHO is enthusiastic enough to begin sales at 2,000 ac. Southwyk, the last major close-in tract and on the recently opened Rt. 288 to the south. Volume continues strong in Tampa, Orlando and Phoenix, but New Orleans is soft. The depressed stock (see chart) sells at 25% discount from \$8.79 book value. Time to change; Buy.

Lennar Corp. keeps B Rank although EPS and stock price have been in a longer-term downtrend. LEN earned 67¢ in its Nov. 1984 year, down 26%. The Feb. qtr. rose 60% to 40¢ but included 20¢ from several large land sales, vs. 3¢ from that source in 1984. A group of 901 apartments are under sale contract and if closed would add 9¢ to May qtr. EPS, with the balance of gain deferred. LEN builds lower priced housing (avg. price \$62,000 in 1984) in Fla. (83% of units) and Ariz. (15%). Thru joint ventures it is building luxury units at Doral Park in Dade Co., and PGA National in Palm Beach Co., Fla. Feb. qtr. new orders rose 9% and backlog 17%. A leaner LEN is a long-term buy.

M.D.C. Corp. holds A Rank with a 34% EPS gain to \$1.30 in 1984. Mar. qtr. EPS rose 3% on a 57% revenue gain, including Mizel Petro Resources, acquired in a stock exchange in Feb. from holders including some MDC officers. MDC is a diversified real estate company based in Denver where the housing market has been hard hit by energy industry ills; still MDC has maintained momentum aided by departure of competitors like American Continental. MDC's 1,894 unit deliveries in 1985 were split 67% singles, 33% multifamily, with 75% Denver, 15% Ariz., and 10% Orlando. The latter two operations were bought from Olin American in Dec. 1983. MDC in Apr. sold \$75 mil. of 10.5% subordinated notes with 5.3 mil. warrants at \$14.10. Potential dilution accounts for recent price weakness. An aggressive buy.

Pulte Home Corp. keeps A Rank although 1984 EPS nosedived 65% to 65¢. Unit deliveries fell 8% in 1984 to 11,008 DU; Mar. deliveries fell a further 18% and new orders 25%. However PHM is a leaner company, having pared overhead aggressively in 1984, closing four divisions (Detroit, Puerto Rico, Seattle and Orlando) for \$4 mil. pretax loss, and cutting employees by 30%. PHM builds in 11 states from Fla.-Ga. to Calif. and Wyo. Average sale price of \$76,000 in 1984 rose 5.5%. Liquidity remained high in 1984 and PHM had \$36 mil. cash at Mar.31. PHM's uncolsolidated mortgage banking subsidiary seeks

fixed rate loans for buyers (PHM won't sell with floating rate mortgages) and services \$2.4 bil. loans; it accounted for about 57% of 1984 income. Liquidity is good. EPS should be about \$1.40 or so and shares are a buy/hold now.

Ryan Homes maintains B Rank on a 42% EPS decline to \$1.69. But Mar. qtr. EPS rose 47% on sharply wider margins on lower volume. RYN delivered 8,833 DU in 1984, down 1%, with 93% being on-site homes and 7% factory built units sold thru dealers and franchisees. Attached units were 44%, a record. On-site DU were 30.5% Mid-East (NY, PA, OH, IN & KY); 43.5% Mid-Atlantic (VA & MD); 11% Southeast (NC & GA) and 14% FL and TX. RYN pioneered building closed-wall homes in its plants and 23% of units were closed wall, even with 1983. Liquidity is good and leverage 0.8 times equity. We see \$2-\$2.25 for 1985; Buy L-T.

Ryland Group keeps A Rank on high liquidity even tho EPS fell 40% to \$1.52 in 1984. Mar. qtr. EPS fell 30% to 14¢ but new orders rose 9%, keyed by strength in Mid-Atlantic regions. RYL delivered 5,383 DU in 1984, with 13% being modulars. The Mid-Atlantic accounted for 49%, with 15% and 14% from the Southwest and Midwest. The mortgage subsidiary generated 20% of income. EPS should be \$1.80-\$2.00 and shares a buy.

Standard-Pacific Corp. has hit strong Cal. markets with the right product, propelling 1984 EPS up 89% to \$1.72. Mar. qtr. EPS rose a further 65% and new orders jumped 24%. SPF delivered 1,342 DU in 1984, up 41%. Most sales are in north and south California, with Chicago smaller. Financing is good. We are upgrading to B Rank. Buy long-term.

U.S. Home Corp. has really slimmed, quitting slow markets, and boosting gross margins. UH delivered 12,811 on-site DU in 1984, off 9%. About 18% (2,286 DU) were sold to investment partnerships under common management. UH also delivered 8,431 DU manufactured housing, down 4%. While UH lost 10¢ in the Mar. qtr., we think it could breakeven or better in 1985. A spec buy.

C-AMER PACIFIC: (AFPC-OTC). Gr. 5-Other Bldr/Dev. Former REIT, now apt. owner & resid. developer after acquiring Cal. projects of 47% owner John Wertin; Developing 2,200 DU San Diego condo project; sold part of Fla. comm. Also in chemicals (via PEPCON, maker of solid rocket fuel component). Selling insur. brokerage. Results: Dec. Q oper. EPS 4¢, v. dl4¢; Sees lower Mar. Q. Aggressive spec buy (RSR 2/22 & 3/22/85).

C-AMER PACESETTER: (AECF-PSE). Gr. 5-Other Bldr/Dev. Blds. single-family homes S. Cal. + income props. for investment (258 DU apt.-condo units + 193T SF indust.); owns electronics sub. Bought San Clemente S&L 6/84. John Klug & family own 32%. Results: Dec. FY oper. EPS loss \$1.40, v. 72¢; Dec. Q 10¢ v. \$1.35. Shs. strong on hopes for recovery but rates may hurt.

C-AMREP CORP: (AXR-NYSE). Gr. 5-Other Bldr/Dev. Major community developer, sells lots & builds homes (865 DU '84, up 142%) at 91,000 acre Rio Rancho Estates near Albuquerque; & 6,000 ac. Eldorado at Santa Fe; Bldg. condos in FL & Col. Also distributes to newstands. Split 5-for-4 10/84. Results: Jan. Q 43¢, even; 9 mo. \$1.29, up 12%. Shs. now aggr. L-T hold. (RSR 5/25/84).

***-CALTON INC:** (CN-ASE). Gr. 5-Other Bldr/Dev. Single family bldr., N.J., 49% owned by Hovnanian Ent.; plans going private in leveraged buyout at \$6/sh., ending HOV ownership. Holders must OK.

D-CAMPANELLI IND: (CAP-ASE). Gr. 5-Other Bldr/Dev. Diversified single-family & condo bldr. for Fla. retirees; also Chicago & Wilmington, N.C.; Guarding liquidity & cutting inventory. Jan. '84 FY sales 481 DU (57% Fla., 26% N.C., 16% Ill. Results: Oct. 9 mo. dl3¢ v. loss.

C-CENTENNIAL GP: (CEG-ASE). Gr. 5-Other Bldr/Dev. Ski resort developer holds land & devel. rights at Snowmass, Col. Debt all convts.; luxury condo sales slow & cutting inventory. Bought 12.5% of Delray Bch., Fla. S&L & entering Wash. land devel.; agrees to buy 50% of N.C. office bldgs. Shs. cheap L-T recovery play. Results: Dec. 6 mo. EPS 3¢ v. dl¢.

B-CENTEX CORP: (CTX-NYSE). Gr. 4-Major Bldr. Blds. w/ panelized singles in Texas., singles/multis in SF, Chi., Minn., D.C., N.J., Miami, Denver; + genl. constr., cement; Spun off energy unit 10/84. Home closings off 10% to 1,431 DU in Dec. Q; backlog 1,715 DU, off 12%. Results: Dec. 9 mo. oper. EPS \$1.50, off 5%; Dec. Q 43¢, off 16%. Shs. buy/hold. (RSR 7/13/84).

C-CHAMPION HOME: (CHB-ASE). Gr. 10-Mfg. Hsg. Major mobile home maker, stays in lower priced units; Delivered 21,944 DU in Mar. 2, '84 FY, up 13%. Owns 36 retail ctrs. w/ 12% of sales. Sales 84% mfg. hsg., most profitable line; rest rec vehicles. Results: Nov. 39 wks. EPS 20¢, even. Shs. spec. buys for recovery. (RSR 8/10/84).

B-CHEEZEM DEVLPMT: (CHZM-OTC). Gr. 5-Other Bldr/Dev. Builds Fla. high-rise luxury waterfront condos: SeaTowers at Sand Key (496 DU), Clearwater; Lighthouse Towers (144 DU). Starting major condo site in south Miami Beach; Bought 3/85 U.S. Steel Sand Key inventory & excess land for \$27.5 mil. Results: Jan. FY EPS 9¢ diluted, off 47%. Audit affiliate advises co. occasionally.

D-CHRISTIANA COS: (CST-NYSE). Gr. 5-Other Bldr/Dev. Has slowed new constr. at main projects & selling land at HudsonGreen, Houston; selling condos Atlanta & beginning 54 DU project, Marina del Rey, Cal.; building liquidity. Texas investor John Roberts buys 29.6% stake. Results: Mar. 9 mo. oper. EPS d28¢ incl. 36¢ asset sales, v. 28¢ income. Shs. aggr. spec. on turnaround under Roberts after big runup. (RSR 4/27 & 11/2/84).

B-CLAYTON HOMES: (CMH-NYSE). Gr. 10-Mfg. Hsg. Vertically integrated mfg. housing co. based in Knoxville, sells mainly Southeast, thru 48 owned retail ctrs. & 150 independent dealers. In 2/85 bought 40 retail ctrs. from Mobile Home Indust. Sold 4,489 DU in 6/84 FY, up 29%; Mar. 9 mo. sales 5,428 DU, up 29%. Results: Mar. 9 mo. EPS 67¢, up 22%. Plans offering 1.4M shs.

E-COVINGTON TECH: (COVT-OTC). Gr. 5-Other Bldr/Dev. Blds. single-family & four-plex income bldgs. in So. & No. Calif; Developed insulated Thermal Impact wall panels & has two jt. venture plants in Mex. & Singapore. Entered genl. contracting '83, boosting revenue. Results: Dec. FY oper. EPS dl2¢ plus dl5¢ discontinued ops., v. 1¢.

D-DELTONA CORP: (DLT-NYSE). Gr. 5-Other Bldr/Dev. Fla. community bldr., ending install. land sales to focus on Marco Isl.; Sold Tampa Palms, 13,000 DU primary home comm., in Apr. for \$37.9M cash & approx. \$5/sh. gain. Trading wetlands at Marco to Fla. for OK on 14,500 lots there + Miami land. Refinanced utility subs. 12/84 to reduce debt. Results: Dec. FY oper. EPS loss \$4.86, v. d\$2.63¢. Shs. leveraged turnaround spec.

C-DEVEL CORP AMER: (DCA-ASE). Gr. 5-Other Bldr/Dev. Blds. singles/condos in Fla.; Spun-off yarn & apparel units 8/84; Hsg. unit delivered 2,878 DU 1984, up 8%; backlog 1,342 DU 3/85, down 30%; Mtg. unit sells loans; Starting S&L. Results: Dec. FY oper. EPS \$1.90, off 3%, before \$1.01 loss on discontinued ops. Shs. play on Fla. hsg., land.

A-FAIRFIELD COMM: (FCI-NYSE). Gr. 5-Other Bldr/Dev. Develops Sunbelt 2nd home comm. + primary homes in Tucson, Phoenix. Timesharing, about 23% of revenues, cld. be hurt by tax changes & off 26% in Feb. Q; Housing sales up 63% and land/comcl. prop. sales up 278% in Feb. FY. Results: Feb. FY EPS \$1.49 diluted, up 16%; Feb. Q 33¢, off 15%. Shs. recovery buy on lower rates (RSR 7/13/84).

B-FIRST CITY INDUS: (FCP-NYSE). Gr. 5-Other Bldr/Dev. Former REIT, now homebuilder w/ acquis. of Metropolitan Devel. and First City Devel., S. Calif. and Design Master, Phoenix; Belzberg interests, Canada, have 69% stake. Sold Gulf Oil stk. 7/84 for \$1.94/sh. pretax; Acquired control of Scovill via tender at \$35 1/85. Results: Jan. Q oper. EPS d22¢, v. 10¢ income; drop due to lower hsg. margins, lower interest. (RSR 3/23/84)

A-FLEETWOOD ENTER: (FLE-NYSE) Gr. 10-Mfg. Hsg. Well financed mobile home & recreation vehicle maker; sold 41,049 DU in Apt. '84 FY, up 53%. Plants: 23 mfg. hsg., 17 RV. Sells middle priced units, strong Cal. & West. Sales 39% mfg. hsg., 61% RV, giving EPS volatility. Mfg. hsg. down 9% in Apr. Q, 4% in Apr. FY. Results: Jan. 9 mo. EPS \$1.70, off 10%. Shs. RV play. (RSR 8/10/84)

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C-FPA CORP: (FPO-ASE) Gr.5-Other Bldr/Dev. Builds mid-rise condos at Palm-Aire Country Club in Pompano Beach, Fla., condos & 1-family Sarasota & Phil.; Operates country club & spa. Delivered 627 DU in June '84 FY, up 118%; 12/84 backlog 255 DU, off 9%; stressing affordable Fla. condos. Results: Mar. 9 mo. EPS 3¢, v. 30¢. Spec play on Fla. land. (RSR 11/2/84)

C-GENERAL HOMES: (GHO-NYSE) Gr.4-Major Homebldr. Delivered 4,897 homes in Sept. FY, down 10%; Sales now Houston 35%; rest Dallas, New OrL., Tampa; opening Phoenix, Orlando, not yet big; Homes avg. \$72,970. Houston de-emphasized but opened 2,000 ac. Southwyk there. Holds land for 7,700 lots + 4,600 acres controlled. Shs. 74% owned by Amer. S&L, Miami & founders Payson/Olafson. Sold \$50M 15.5% notes 1/85. Results: Mar. 6 mo. EPS d12¢, v. 10¢. Shs. Sunbelt play. (RSR 1/13/84)

C-GOLDEN WEST HMS: (GWH-ASE) Gr.10-Mfg. Hsg. Mobile home bldr. stressing double-wide units in Calif. & West. Sales up 6% in Feb. 9 mo. but margins narrowed; Cal. bldr. Wm. Lyon controls w/ 26.5% stake. Results: Feb. 9 mo. d\$2.16 incl. 92¢ plant/project writedowns, v. d15¢. No advice. (RSR 8/10/84)

B-GULFSTREAM L&D: (GSD-ASE) Gr.5-Other Bldr/Dev. Diversified land developer owns 14,119 acres in 4 Fla. communities, notably Jacaranda in Plantation, after selling 374 ac. FY'84. Major subs. in home-bldg. (412 DU Sept. '84 FY, up 1%) in Orlando; gen'l contracting. Results: Dec. Q EPS diluted 30¢, down 41% on fewer land sales; Mar. Q to incl. \$2.32 pretax gain on utility plant sale. Bought Lifetime Comm. block. Shs. major Fla. land play. (RSR 2/8/85)

D-HOMAC INC: (HOMC-OTC) Gr.5-Other Bldr/Dev. Now real estate devel. co. Most assets condo & land/-devel. in Fla., P.R. & Mich. Cured principal default on secured credit & cut balance to \$15.4M via incentive repayments (for \$1.93/sh. gains in FY'84); Condo sales in Mich. & Fla. remain slow & most units rented. Could Inv. group has 20%. Sept. land sale gave 50¢ gain, debt forgiveness. Results: Dec. Q d39¢, v. d41¢. Shs. spec.

C-HOVNANIAN ENTR: (HOV-ASE) Gr.5-Other Bldr/Dev. Major retirement comm. bldr. in Fla. & N.J.; delivered 2,030 homes (55% Fla.) in Feb. '84 year, up 74%; Sells mainly moderate priced DU, avg. \$45,700 in Fla., \$59,000 N.J. Sells in Northeast. Results: Feb. FY oper. EPS \$1.47, up 31%; backlog \$136.5 mil., up 20%. Sold \$25M 15% debts 12/84. Shs. buys for Fla. mkt. (RSR 9/23/83)

C-LEISURE+TECH: (LVX-ASE) Gr.5-Other Bldr/Dev. Builds large adult communities (Leisure Vil.), some Sunbelt, some near urban areas. Developing 400 ac. in Oceanside, CA and began deliveries June Q; Feb. 1 backlog/reservations off 20% to \$46.2M. Joint venturing lifecare facilities. Results: Dec. 9 mo. oper. EPS 17¢, v. d24¢; Dec. Q 12¢, up 300%. Shs. adult hsg. play. (RSR 1/25/85)

B-LENNAR CORP: (LEN-NYSE) Gr.4-Major Homebldr. Builds homes/condos in: Miami, SE & SW Fla., & Phoenix; blds. & owns income props. (incl. 901 apts. under sale agmt. 5/85). Home closings 2,009, up 37% in Nov. FY. Results: Feb. Q EPS 40¢ incl. 20¢ land sale gains, up 60%; Bought H. Miller for \$24M. Buy for recovery.

***-LEVITT CORP:** (LVT-ASE) Gr.5-Other Bldr/Dev. One-family bldr., mainly Fla. (Ft. Lauderdale, Tampa), affordable homes \$45-\$70T; Also blds. Chic., P.R.; delivered 1,086 DU 1983, up 59%. Starrett Hsg. owns 80% after 11/83 initial offer. Results: Dec. FY EPS 95¢ incl. 14¢ taxloss benefit, off 11%; Mar. Q 10¢, off 23%. Shs. hold/buy for lower rates.

C-LIFETIME COMMUN: (LFTM-OTC) Gr.5-Other Bldr/Dev. Now developer after 1978 Ch. XI plan: works under bank credit (\$7.0M out); To begin sales on long-stalled 181-DU N. Miami Spinnaker highrise; Bought two Cal. condo/highrise sites for 346 DU. Investor L. Ross buys 13.8%, seeks "more active role;" Gulfstream bought 4.5%. Results: Jan. Q oper. EPS d31¢, v. d6¢, after 15¢ loss reserve add. on slow Miami condo. Shs. for recovery and/or takeover. (RSR 2/8/85)

A-MDC CORP: (MDC-NYSE) Gr.4-Major Bldr/Dev. Fast growing Denver bldr/developer sold 1,894 DU 1984, up 61%; Revenues up 100%. Developing 1,715 DU Piney Creek in venture w/Empire Savings; Bought Fla. & Az. units of Olin Amer. 12/83. Results: Mar. Q EPS 32¢, up 3%, incl. land & investment sales. Leveraged shs. buy for aggr. accounts. (RSR 4/13/84)

C-MAJOR RLTY: (MAJR-OTC). Gr.5-Other Bldr/Dev. Owns 927 ac. Florida Ctr. near Orlando & 13 ac. downtown Tampa site; Formed jt. venture w/ Prudential Life 12/84 by contributing Tampa site + 274 Orlando acres; Pru puts in \$80M cash over time; Venture to bld. 750T SF Galleria retail + hotel + 200T SF office at Orlando, 3.5M SF office in Tampa; deal effectively steps up MAJR land by \$12.10/sh.. Has \$2.40/sh. taxloss benefits; book value \$1.46/sh. at cost. Results: Expect flat EPS thru May '86 FY; Feb. 9 mo. EPS d14¢ diluted, v. d25¢. Shs. L-T Fla. land play. (RSR 1/25/85)

B-MISSION WEST PROP: (MSW-ASE) Gr.5-Other Bldr/Dev. Former mtg. trust now developing income props. mainly in S. Calif. Last condos in San Diego apt./hotel nearly sold; sold 40T SF San Diego office; bought 50T SF office/indust. bldg.; Intermark owns 50%. Won lawsuit on key DelMar, Cal. site. Results: Feb. Q oper. EPS 2¢ plus 1¢ taxloss benefits, v. 19¢ oper. Shs. L-T buys. (RSR 5/11/84)

C-NATIONAL HOMES: (NHX-NYSE) Gr.10-Mfg. Hsg. Major panelized home maker, sold 7,091 DU in 1984, up 4%; mix shifting to cheaper multi-family units. NHX pushing constr. of apts., offices sold to tax shelters. Debt high. Results: Dec. FY oper EPS d48¢, v. d9¢, on 8% revenue gain; Mar. Q d14¢, v. d10¢. Volatile shs. for venturesome. (RSR 4/27/84)

E-NELSON (LB) CORP: (LBN-ASE) Gr.5-Other Bldr/Dev. Builds singles & lower priced condos in Calif., Wash., Ore., Nev. & Ariz.; sells land; owns 80% of Advanced Energy Systems. Results: Dec. FY mo. EPS d\$1.47, v. d\$1.23; Mar. Q EPS did not cover pfd. div.; Pfd. div. arrearage gives holders right to control bd. Shs. spec.

C-ORIOLE HOMES-B: (OHC.B-ASE) Group 5-Other Bldr/Dev. Builds 1-family & condo homes in S. Fla., east coast. Delivered 782 homes 1984, up 11%; Backlog 384 DU at 3/85, off 6%. Class B shs. get 20% higher div. but elect only 25% of board. Results: Dec. FY EPS 43¢, up 139%; Mar. Q. d10¢, v. 30¢ income. Shs. less attractive condo play. (RSR 4/27/84)

C-PARKWAY CO: (PKWYS-OTC) Gr. 5-Other Bldr/Dev. Former REIT, now Houston land developer at two tracts; Sugar Creek nearly all sold & PKWYS bought adjoining 90 ac. 12/83. Debt all fixed rate mtgs. Managed by Eastover Corp. Owns 36.6% of EastPark Rlty., 19.3% Nat. Mtg. Fund, 9.6% Rockwood Natl.; bought stake in Mobile, AL S&L & seeks HLBB OK to buy 24.9%. Controlled by Leland Speed/Brent Baird. Results: Dec. 6 mo. EPS \$1.12, off 12%; will report \$2.00/sh. land sale gain in June Q. Aggr. Tex. land and S&L play.

***-PRINCEVILLE DEV:** (PVDC-OTC) Gr. 5-Other Bldr/Dev. Developer of 7,000 ac. resort commun. on N. shore of Kauai, Hawaii; has developed 995 ac. & seeks OK for second 1,177-ac. section; Shs. spun off in rights offer from Consol. Oil & Gas. 11/84 at discount; Owns tourist airline, 42% net of new 300-room hotel opening Aug. 1; golf course selected for Kemper Open 3/86; Results: Feb. Q EPS 2¢, no comparisons; will pay 16¢ div. annually first two years. Shs. aggressive spec. (RSR 1/25/85)

A-PULTE HOME CORP: (PHM-NYSE) Gr. 4-Major Homebldr. Builds in East, Midwest, West & Puerto Rico. East & West strongest. Delivered 11,008 DU 1984, off 8%; Mar. Q backlog down 34%. Buyer loans thru ICM Mtg. sub. aid sales; installment acctg. for sales boosting cash flow. Results: Mar. Q EPS 12¢, up 33%. see \$1.40 EPS 1985. Shs. buy/hold on recovery. (RSR 2/10/84)

D-PUNTA GORDA: (PGA-ASE) Gr. 5-Other Bldr/Dev. Fla. developer of higher-priced waterfront communities (Punta Gorda Isles, Burnt Store Marina) owns 14,100 ac. on Fla. west coast. Selling condo/home inventory; Bass Bros. hold stake & managed till contract ended 4/85; Co. hires invest. banker, misses May 1 deb. interest. Results: Dec. FY d\$1.96, v. d\$2.82. Shs. high risk.

C-RADICE CORP: (RI-NYSE) Gr. 5-Other Bldr/Dev. Single-family & office bldr. on Fla. east coast near Ft. Lauderdale base, plus Pgh. Sales divided 37% housing, 49% commercial props., 14% other. Sold \$35M 14.63% debs. 3/84. Results: Dec. 6 mo. 54¢, up 17%. Shs. aggr. Fla. play.

B-REDMAN INDUST: (RE-NYSE) Gr. 10-Mfg. Hsg. Most integrated mobile home maker, sells Southeast & Southwest mkts., medium to higher prices. Mfg. hsg. 68% of sales, most oper. profit in Mar. '84 yr.; sold 15,490 DU, up 24%. Mfg. hsg. margins under pressure. Results: Dec. 9 mo. EPS 50¢, off 35%; Shs. buy in rate climate. (8/10/84)

C-RIVER OAKS INDS: (ROI-NYSE) Gr. 10-Mfg. Hsg. Mobile home mfg. & community developer from merger of Sunergy Comm. into River Oaks. Blds. medium-higher & lower priced DU at three Ala. plants; mfg. hsg. 83% of sales, 73% net. About 52% of shs. held by officers; Listed NYSE. Results: Dec. 6 mo. EPS 22¢, even; sees drop to 1-2¢ in Mar. qtr., partly from acquiring Adventure Homes, retailer w/ 22 outlets. Records subpoenaed by VA. Hold. (RSR 8/10/4).

***-ROCKWOOD NATL:** (RNC-PSE) Gr. 5-Other Bldr/Dev. Former computer lessor now 19.8% controlled by Speed/Baird entities; Owns 1,400 acres in last major undeveloped tract in eastern New Orleans, booked at \$11,400/ac. Bldg. new access roads,

masterplanning land. Sold 117T SF shop. ctr. 9/84 for 4¢ gain + 15¢ deferred gain. Shs. L-T speculation on success. Results: Dec. 9 mo. 20¢, up 186%. (RSR 8/12/83)

B-RYAN HOMES: (RYN-NYSE) Gr. 4-Major Homebldr. Diversified homebldr. Mid-East & South: major mkts.: D.C., W. Penn., Ohio, N.Y., Ga., Fla. Blds. w/ closed-wall panels. Liquidity good. Selling GNMA mtg.-backed bonds. Results: Mar. Q EPS 53¢ diluted, up 47% on improved gross margins. Est. about \$2.25/sh. in '85. Buy for broad sharing in lower rate benefits. (RSR 2/24/84).

A-RYLAND GROUP: (RYL-NYSE) Gr. 4-Major Homebldr. Builds panelized homes from plants in Texas, mid-Atlantic, Ohio. Turns assets fast/74-day bldg. time, keeps leverage low. Opened 3rd modular plant. Selling mtg.-backed bonds; Results: Mar. Q EPS 14¢, off 30%; Backlog up 11% (p.7). Est. EPS \$1.80-\$2.00 '85. Institutionally known shs. buy for lower rate benefits. (RSR 2/24/84)

B-SKYLINE CORP: (SKY-NYSE) Gr. 10-Mfg. Hsg. Conservatively financed mobile home maker, delivered 16,980 DU in May '84 FY, up 21%. Serves medium-priced mkts. in West, South, Midwest. Sales 68% mfg. hsg. but still unprofitable; rec. vehicles rest. Defensive posture builds cash, to \$79M or \$7.04/sh. Results: Feb. 9 mo. EPS 35¢, off 13%. Shs. conservative buy now. (RSR 8/10/84).

B-STD PACIFIC: (SPF-NYSE) Gr. 4-Major Homebldr. Develops & blds. one-family homes in 37 locations, mainly Calif. & Houston. Calif. sales very strong recently on new models; Diversification offset by higher debt; Results: Mar. Q EPS 38¢ after 3-for-2 split, up 65%. Est. EPS \$2.00+ '85. Shs. L-T recovery buys. (RSR 6/22/84).

D-STARRETT HSG: (SHO-ASE) Gr. 5-Other Bldr/Dev. Packages & sells hi-rise apts.; genl. contracting; single-family thru Levitt Corp. Won \$93M claim + interest 12/83 on expropriated Iran condo (amt. & payment timing uncertain). Owns 80% Levitt Corp. Sold 300T shs. privately 3/85 to eliminate rights to buy 840T shs. at \$3.50. Results: Dec. FY 95¢ incl. 35¢ taxloss benefits, down 5%. Shs. improving spec. buy. (RSR 1/13/84).

***-US CAPITAL CORP:** (USCC-OTC) Gr. 5-Other Bldr/Dev. Co. designs, markets & blds. condos w/ amenities in established resorts, most Southeast; begins constr. when nonrefundable deposits on 85% of DU received; Prices range \$63-\$79,000. Starting new comcl. bldg. and timesharing subs. Results: Jan. 9 mo. EPS 13¢ incl. 10¢ pretax gain on sale of development sub., v. 5¢. Chrm. D.Tomlin owns 72%. Avoid until tax changes become clear.

B-US HOME CORP: (UH-NYSE) Gr. 4-Major Homebldr. Largest U.S. on-site builder; 3 major markets Houston/Dallas; Fla. (Clearwater); & Denver. In mfg. hsg. via 1/83 acq. of Brigadier Indust., which sold 8,431 DU 1984, off 4%; Has reorganized, liquidated \$100M inventory, left several soft mkts.; Houston now only 18% of sales. Sells mtg. backed securities. Results: Mar. Q EPS d10¢, v. d9¢. Est. breakeven or slightly better (e.g., 10¢) '85. Shs. leveraged recovery spec. (RSR 2/24/84)

May 10, 1985

C-UNIVERSAL DEV: (UDCO-OTC) Gr.5-Other Bldr/Dev. Chicago-based 1-family homebuilder operating in Phoenix, San Diego, Charlotte & Fla.; Founded w/ funding from First Chicago venture capital. In 1/85 bd. approves plan to convert to partnership (like Newhall Land). Results: Dec. FY EPS \$1.52, up 9%; sales up 41%; began div. 9/84. Unseasoned shs. have growth appeal. (RSR 7/13/84)

C-VYQUEST INC: (VYQT-OTC) Gr.10-Mfg. Hsg. Former REIT, sold assets & built cash; In 5/83 bought rec vehicle maker Parkwood Corp. for \$6.4M cash & notes; Bought Beech-Craft Motor Homes 11/84 and Yellowstone Inc., rec trailer maker, 1/85. Debt is 6% converts & notes. Results: Feb. Q EPS 13¢ diluted, up 44%. Shs. play on rec vehicles & taxloss benefits.

C-WASHINGTON CP: (TWCX-PhSE) Group 5-Other Bldr/Dev. Former REIT developing vacant land (40% assets) incl. suburban D.C. parcels w/ 321T SF offices under constr., another 135T SF planned; also develops via jt. ventures & syndicating props.; Wash. investor D.F. Antonelli owns 22%; investor J.C. Kinney got 17% in exch. for Arlington, Va. land. Results: Dec. FY oper. EPS 18¢ + 36¢ extras, v. 17¢. Bought \$1.36M debts. at 61¢ of par & bought 167T shs. at \$3.25 via tender 3/85. Shs. for recovery.

B-WRITER CORP: (WRTC-OTC) Gr.5-Other Bldr/Dev. Builds 1-family & townhouses in six Denver, two Colo. Spgs. sites; also Writer Square downtown renewal project. High liquidity aids margins. Pres. Geo. Writer owns 16%; Delivered 454 DU '84, down 20%; Results: Dec. FY EPS 49¢, off 60%. Shs. for growth w/ single area risk.

B-ZIMMER CORP: (ZIM-ASE) Gr.10-Mfg. Hsg. Smaller but well financed mobile home maker. Serves higher priced mkts. in Ind., Pa., Ohio, Kan., Texas, Idaho. Mfg. hsg. 68% sales, 191% oper. profit; rest rec. vehicles & exotic motorcars. Results: Dec. FY EPS 12¢ on travel trailer unit restructuring, v. 67¢; Mar. Q d34c. Spec. buy in rate climate. (RSR 8/10/84)

RANKINGS from "A" to "E" shown above before name are explained on bottom of page 8.

ABBREVIATIONS: **B** = Billions; **M** = Millions; **T** = Thousands; **EPS** = Earnings per share; **CFS** = Net cash flow per share; **SF** = Square Feet; **DU** = dwelling units or hotel rooms; **FY** = fiscal year; **RV** = Recreational vehicle; **L-T** = Long term; **S-T** = Short term; **Q** or **Qtr.** = Quarter; **Div.** = Dividend; **Shs.** = Shares; **Gr.** = Industry group of main business activity. **Appr.** = Appraised current value; **blds.** or **bldg.** = builds or building. **cld** = could. **convt.** = convertible. **d** = deficit. **debs.** = debentures. **mngs.** or **mgmt.** = manages or management. **port.** = portfolio. **spec.** = speculation or speculative. **sub.** = subsidiary. **w/** = with.

RSR dates in parentheses at end of reviews refer to fuller comments in prior RSR issues.

Additions

Calton Inc. Clayton Homes

Deletions & Omissions

American Continental (now Gr.8-Diversified).

QUARTERLY UNIT TALLY: NEW ORDERS AND BACKLOG STILL SOFT BUT SOME STRENGTH SHOWS IN NORTH

Our quarterly tally of what's happening inside the pipeline of housing shows more strength in the North than in the glamorous Sunbelt. Our tally of major homebuilders shows **Ryland Group** up 9% on new orders for the March quarter, reflecting strength in its predominantly Mid-Atlantic and Southeastern markets. **Standard-Pacific** is enjoying strong demand in California and new orders rose 24%. **M.D.C. Corp.** reports a 27% order gain reflecting sales in its Denver market but also Phoenix and Orlando, acquired late 1983. **General Homes** and **U.S. Home**, identified with soggy Houston markets, are both down in new orders. The tables below follow, on a quarterly basis, three elements in the flow of housing for major merchant builders (i.e., builders intending to sell their product):

--**New orders** (or sales contracts) net of cancellations, as reported or derived from public reports. Orders are reported in units, not dollars, to strip out inflation, and are compared to new orders for the same quarter of the previous year, so as to avoid seasonal variations. These new orders should track most closely with the Commerce Dept.'s report of new housing sales, and our major builders appear to account for about 7.5% of national merchant builder sales;

--**Home deliveries**, or closing, when title is transferred from the builder to a buyer, for the latest quarter and 12 months then ended;

--**Backlog** of undelivered units at end of the period; backlog may include units under legal rescission periods in some states and homes whose buyers have not yet received mortgage credit okay. The tables include major builders who've reported data by publication date and who regularly provide such data. Data for quarters ended Mar. 31, 1985 unless noted, are:

NEW ORDERS & BACKLOG

(Compared to year-ago quarters)

Company	Orders	% Chng.	Backlog	% Chng.
Devel.Cp.Amer..	702	-26%	1,342	-30%
Genl. Homes....	1,274	-25	1,329	- 9
Lennar Cp.-Feb.	679	+ 9	1,271	+17
M.D.C.Corp.....	737	+27	605	+ 4
Pulte Home....	2,654	-25	2,093	-34
Ryan Homes.....	1,992	- 9	3,201	-16
Ryland Group...	1,834	+ 9	2,575	+11
Std. Pacific...	573	+24	772	+26
U.S. Home.....	3,800	-24	3,492	- 4
TOTALS...	14,245	-15%	16,680	-10%

DELIVERIES AND 12-MONTH TOTALS

(Compared to year-ago qtr. and prev. 12 months)

Company	Mar.Qtr.	% Chng.	12 Mon.	% Chng.
Devel. Cp.Am..	474	-27%	2,702	- 6%
Genl. Homes...	1,042	-20	4,876	- 5
Lennar - Feb..	609	+26	2,133	+ 6
M.D.C. Corp...	471	+33	2,011	+ 6
Pulte Home....	2,120	-18	10,545	- 4
Ryan Homes....	1,710	- 6	8,730	- 1
Ryland Group..	1,068	+ 7	5,450	+ 1
Std. Pacific..	276	+15	1,379	+ 3
U.S. Home.....	2,192	-31	11,662	- 9
TOTALS...	9,962	-18%	49,488	- 4%

													-----BALANCE SHEET ITEMS (MILLION DOLLARS)-----						
ADVICE	ST	LT	RANK	EXCH/ SYMBOL	GROUP	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS- MON	12 MO	LAST PRICE	REPORT DATE	TOTAL ASSETS	COMMON EQUITY	TOTAL DEBT	DEPRE- CIATION	LOSS RESV	LEVERAGE RATIO	
MAJOR HOMEBUILDERS																			
H	B/H	B		CENTEX CORP	NY-CTX	4	18768	15.93	0.25	DEC	2.31	21.25	12/84	823.3	298.8	152.9	0.0	0.0	0.5
-	B	C		GENERAL HOMES	NY-GHO	4	15000	8.79	0.00	MAR	0.54	6.50	3/85	500.1	131.7	323.5	0.0	0.0	2.5
H	B	B		LENNAR CORP	NY-LEN	4	9052	15.30	0.20	FEB	0.82	12.50X	2/85	360.9	138.5	140.1	12.4	0.0	1.0
B	B	A		MDC CORP	NY-MDC	4	13686	5.13	0.32	MAR	1.31	10.75	12/84	428.2	61.2	302.4	0.0	0.0	4.9
H	B/H	A		PULTE HOME CP	NY-PHM	4	23509	6.41	0.12	MAR	0.68	16.00	3/85	379.7	150.7	46.8	0.0	0.0	0.3
H	B	B		RYAN HOMES	NY-RYN	4	6819	19.55	1.00	MAR	1.86	24.00	12/84	335.0	133.3	109.8	10.3	0.0	0.8
H	B	A		RYLAND GROUP	NY-RYL	4	6066	11.12	0.60	MAR	1.46	21.25	3/85	139.8	67.4	14.8	0.0	0.0	0.2
H	B	B		STD PACIFIC	NY-SPF	4	7600	10.74	0.40	MAR	1.87	16.88	12/84	249.0	81.8	127.5	2.5	0.0	1.6
H	H	B		U S HOME CORP	NY-UH	4	34630	7.38	0.08	MAR	-1.28	7.00	12/84	815.8	255.6	372.2	21.3	0.0	1.5
OTHER HOMEBUILDERS & LAND DEVELOPERS																			
-	B	C		AMER PAC CORP	PS-APFC	5	6221	4.99	0.00	DEC	-0.30	3.13	12/84	135.0	31.0	90.3	3.9	0.0	2.9
-	-	C		AMER PACESETTER	PS-AECP	5	2009	10.48	0.00	DEC	-1.24	7.13	9/84	234.0	21.0	151.5	3.0	0.0	7.2
H	H	C		AMREP CORP	NY-AXR	5	3657	10.52	0.00	JAN	2.22	16.50	1/85	130.7	38.4	35.0	7.4	0.0	0.9
-	-	*		CALTON INC	AS-CN	5	4857	2.61	0.00	FEB	0.39	5.38	11/84	63.7	12.6	38.4	0.0	0.0	3.0
-	-	D		CAMPANELLI IND	AS-CAP	5	1993	4.87	0.00	OCT	-0.77	2.38	10/84	46.8	9.6	31.4	0.0	0.0	3.2
-	-	C		CENTENNIAL GP	AS-CEG	5	6663	1.58	0.00	DEC	0.07	1.13	12/84	19.9	10.5	8.4	0.0	1.0	0.8
-	-	B		CHEEZEM DEVLPMT	OC-CHZM	5	2828	6.30	0.10	JAN	0.09	6.00	10/84	61.9	17.8	31.8	0.0	0.0	1.8
S	H	D		CHRISTIANA COS	NY-CST	5	2406	8.78	0.00	MAR	-0.40	13.13	12/84	44.7	21.1	8.9	0.0	0.0	0.4
-	-	E		COVINGTON TECH	OC-COVT	5	13540	1.11	0.00	DEC	-0.27	0.88	9/84	60.9	15.1	37.4	0.0	0.0	2.5
-	B	D		DELTONA CORP	NY-DLT	5	5033	3.31	0.00	DEC	-4.75	5.38	9/84	253.7	28.9	130.1	23.8	6.7	4.5
-	B	C		DEVEL CORP AMER	AS-DCA	5	5942	13.25	0.00	DEC	0.89	13.88	9/84	203.1	78.7	65.4	8.2	0.0	0.8
B/H	B	A		FAIRFIELD COM	NY-FCI	5	10564	10.27	0.18	FEB	1.49	13.25	11/84	386.6	108.5	208.3	14.9	4.5	1.9
H/B	B	B		FIRST CITY INDS	NY-FCP	5	8702	-9.17	0.00	JAN	1.04	9.13	1/85	952.4	-79.7	589.9	5.1	0.0	NC
-	B	C		FPA CORP	AS-FPO	5	3995	11.24	0.00	MAR	0.37	11.75	12/84	206.5	44.9	116.4	0.0	0.0	2.6
B	B	B		GULFSTREAM L&D	AS-GSD	5	4647	21.38	0.40	DEC	1.82	30.50	12/84	189.0	99.3	50.8	12.0	0.0	0.5
-	B	D		HOMAC INC	OC-HOMC	5	1887	5.33	0.00	DEC	-0.07	2.50	12/84	34.2	10.0	22.7	1.0	0.0	2.3
B	B	C		HOMANIAN ENTR	AS-HOV	5	4488	5.50	0.00	FEB	1.47	16.25	11/84	138.3	24.6	89.7	0.0	0.0	3.6
H	B	C		LEISURE+TECH	AS-LVX	5	3692	4.09	0.00	DEC	0.45	6.13	12/84	108.5	15.1	81.9	0.0	0.0	5.4
-	H/B	C		LEVITT CORP	AS-LVT	5	3400	5.85	0.00	MAR	0.87	7.00	9/84	67.3	19.8	32.8	0.0	0.0	1.7
-	B	C		LIFETIME COMMUN	OC-LFTM	5	5310	6.04	0.00	JAN	-0.14	5.50	1/85	62.3	32.0	29.1	0.3	0.7	0.9
-	B	C		MAJOR REALTY	OC-MAJR	5	5909	1.33	0.00	FEB	0.71	8.75	11/84	32.2	7.8	21.6	0.0	0.0	2.8
-	B	B		MISSION WEST PR	AS-MSW	5	1750	10.88	0.24	FEB	0.63	7.63	2/85	23.2	19.0	3.6	0.5	0.5	0.2
-	-	C		NATIONAL MTG	OC-NMTGS	5	3707	3.65	0.00	FEB	0.58	3.00	11/84	15.9	13.5	2.3	0.0	0.7	0.2
H/S	H/S	E		NELSON (LB) CP	AS-LBN	5	2464	-0.79	0.00	MAR	-1.12	0.75	9/84	14.9	-1.9	15.3	0.0	0.0	NC
H	H	C		ORIOLE HOMES-A	AS-OHC.A	5	1956	8.98	0.15	MAR	0.03	6.00	12/84	130.2	35.3	68.9	4.4	0.0	2.0
H	H	C		ORIOLE HOMES-B	AS-OHC.B	5	1983	8.98	0.20	MAR	0.03	6.00	12/84	130.2	35.3	68.9	4.4	0.0	2.0
-	B	C		PARKWAY COMPANY	OC-PKWY	5	1379	21.45	0.00	DEC	2.85	20.75	12/84	57.6	29.5	21.9	0.0	0.6	0.7
B	B	*		PRINCETON DEV	OC-PVDC	5	8740	3.81	0.16	FEB	0.04	6.25	2/85	36.6	33.2	2.0	0.0	0.0	0.1
-	-	C		PROP INV COLO	OC-PRCLS	5	4081	2.00	0.00	DEC	-0.21	4.00	12/84	38.0	8.1	25.3	0.0	0.0	3.1
S/H	S/H	D		PUNTA GORDA	AS-PGA	5	2787	3.52	0.00	DEC	-1.96	3.00	9/84	136.2	9.8	106.0	0.0	0.0	10.8
-	-	C		RADICE CORP	NY-RI	5	5066	3.92	0.00	DEC	1.28	9.88	12/84	176.8	20.1	124.3	0.0	0.0	6.2
-	-	*		ROCKWOOD NATL	PS-RNC	5	9625	1.56	0.00	DEC	0.16	3.00	12/84	26.1	15.0	6.9	0.0	0.0	0.5
H	B	C		STARRETT HSG	AS-SHO	5	5556	3.36	0.00	DEC	0.95	17.75	9/84	158.2	17.6	106.5	0.0	0.0	6.0
-	-	C		UNIVERSAL DEV	OC-UDCO	5	6015	6.51	0.10	DEC	1.52	22.75	9/84	122.4	39.1	45.4	1.3	0.0	1.2
-	-	*		US CAPITAL CORP	OC-USCC	5	8270	3.50	0.00	JAN	0.54	3.25	1/85	149.7	28.9	91.9	0.0	0.0	3.2
H	H	C		WASHINGTON CP	PH-TWC.X	5	2023	4.32	0.00	MAR	0.31	3.25	12/84	23.5	9.2	13.2	0.0	0.0	1.4
H	B	B		WRITER CORP	OC-WRTC	5	4120	8.69	0.15	DEC	0.44	7.75	12/84	129.5	35.8	79.8	0.0	0.0	2.2
MANUFACTURED HOUSING																			
H	B	C		CHAMPION HOME	AS-CHB	10	35642	1.54	0.00	NOV	0.21	2.63	11/84	104.0	54.9	10.2	0.0	0.0	0.2
-	-	B		CLAYTON HOMES	NY-CMH	10	6547	5.56	0.00	MAR	0.96	12.00	12/84	59.8	36.4	5.1	0.0	0.0	0.1
H	B	A		FLEETWOOD ENTER	NY-FLE	10	23285	10.57	0.36	JAN	2.52	19.50	1/85	371.5	246.5	0.0	0.0	0.0	0.0
-	-	C		GOLDEN WEST HMS	AS-GWH	10	3375	4.37	0.00	FEB	-2.21	4.00	11/84	39.2	14.7	14.5	5.2	0.0	1.0
-	-	D		NATIONAL HOMES	NY-NHX	10	6905	2.43	0.00	DEC	-0.48	3.63	12/84	70.8	16.7	41.2	16.9	2.1	2.5
H	B	B		REDMAN INDUST	NY-RE	10	9753	6.91	0.30	DEC	0.51	8.38	12/84	126.2	67.3	12.9	26.2	0.0	0.2
-	H	C		RIVER OAKS INDS	NY-ROI	10	10381	1.30	0.00	DEC	0.41	4.25	12/84	68.1	13.5	42.0	0.0	0.0	3.1
H	B	B		SKYLINE CORP	NY-SKY	10	11217	10.64	0.48	FEB	0.68	13.00	2/85	135.7	119.3	0.0	0.0	0.0	0.0
-	-	C		VYQUEST INC	OC-VYQT	10	3838	5.27	0.00	FEB	0.74	6.88	2/85	36.4	20.2	7.8	0.8	2.0	0.4
H	H	B		ZIMMER CORP	AS-ZIM	10	4654	4.96	0.10	MAR	-0.49	6.25	12/84	43.8	23.0	10.4	5.0	0.0	0.5

REALTY STOCK RANKINGS

BUY - SELL - HOLD ADVICES

REALTY STOCK REVIEW has developed its exclusive Rankings of real estate stocks to indicate relative quality of historic track record for investors. Rankings from "A" to "E", shown in the third column from left in the statistical tables above, are assigned based upon our analysis of five-year earnings and dividend trends, financial strength and liquidity, and management record. Being historical, Rankings are not based upon current price and thus are not intended as recommendations.

An asterisk (*) denotes stocks which cannot be ranked because of insufficient (generally less than two years) operating history in present form or incomplete data. (Z) denotes entities which currently retain Audit or its investment banking affiliate, Campbell & Dillmeier, for specific assignments; and entities for which we are acting as non-retainer intermediary for a publicly announced proposed transaction during the transaction's pendency. (L) denotes liquidating entities, which are not ranked. Rankings and Buy-Sell-Hold advices given without regard to whether the entity subscribes to RSR. Stock prices of REITs tend to be less volatile than stocks of operating companies, hence generally are better suited for longer-term.

Buy - Sell - Hold advices are summarized in the first two left-hand columns in the statistical tables, as "B" = Buy; "H" = Hold; "S" = Sell or Avoid. When two advices are combined (e.g., "B/H"), accent is upon the first advice. Advices are reviewed each issue and advice changes are underlined. Advices are classified as Short-Term ("S/T") for holding less than one year; and Long-Term ("L/T") for one to three years. No advices are given during pendency of a proposed equity-type security offering, or during pendency of an assignment involving Audit or its investment banking affiliate (see "Z" left). Advices are given for most widely held and active stocks, but we cannot advise at all times on thinner, less active stocks. No advices are given for convertibles, warrants or preferreds, which depend upon underlying common.

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